

REMARKS

In reply to the Final Office Action dated October 6, 2004, Applicant proposes the following changes to claims 1, 2, 8, 62, and 73:

- amend independent claims 1 and 2 to incorporate the limitations of dependent claim 9 therein,
- amend claim 8 to place it in independent form,
- amend independent claim 62 to incorporate the limitations of dependent claim 73 therein, and
- cancel dependent claims 9 and 73, without prejudice or disclaimer of the subject matter recited therein.

Because these changes do not alter the scope of any of originally filed and elected claims, this Proposed Amendment does not present any new issues that would either require further consideration or materially complicate the issue for purposes of Appeal. Accordingly, Applicant respectfully requests appropriate entry and consideration of this Amendment. Upon entry of this Amendment, claims 1-8, 10-15, 62-72, and 74-96 will remain currently pending.

I. The Examiner's Decision to Withdraw Claims 62-96 From Consideration

On pages 2-5, ¶¶ 2-4, of the Final Office Action, the Examiner decided to withdraw claims 62-96 from consideration as being directed to a non-elected invention based on the original presentation and subsequent examination on the merits of the elected invention covered by claims 1-8 and 10-15. The Examiner contends that the step of "displaying an offer at a discounted price or service at a price substantially equal to the delivery price of the product or service," recited in claims 62-96, is outside the scope of elected claims 1-8 and 10-15. However, dependent claim 9, taken in conjunction with dependent claim 7, clearly recites this feature. Since the Examiner has

already conducted a search of the prior art regarding this feature, Applicant respectfully requests that the Examiner reconsider the decision to withdraw claims 62-96 from consideration.

II. The Outstanding Rejection Under 35 U.S.C. § 112, Second Paragraph

On page 5, ¶ 6, of the Final Office Action, the Examiner rejected claims 1-15 under 35 U.S.C. § 112, second paragraph, based on indefiniteness grounds. In particular, the Examiner contends that the phrase "at an unknown start time" is indefinite based on his view that the specification only discloses the random display of a sale offer at a start time that is unknown relative to the buyer, but not unknown to the seller.

This rejection is improper. The standard under 35 U.S.C. § 112, second paragraph, is whether the claims, when read in light of the specification, reasonably apprise those skilled in art of the scope of the claimed invention. *See, e.g., Miles Labs., Inc. v. Shandon*, 997 F.2d 870, 875 (Fed. Cir. 1993). A rejection based on the Examiner's understanding of the specification should be made under the first paragraph of 35 U.S.C. § 112, not under the second paragraph, as the Examiner has done in the outstanding Final Office Action. *See, e.g., MPEP § 2174* (7th ed. 1998) (A rejection that "is based on an insufficient disclosure (35 U.S.C. § 112, first paragraph) . . . should be rejected on that ground.").

Moreover, in this case, one having ordinary skill in the art would readily recognize that the claims particularly point out and distinctly claim the subject matter which Applicant regards as the invention. In fact, the Examiner does not contend that the meaning of any particular claim term or phrase is indefinite. And, contrary to the Examiner's characterization of the originally filed disclosure, the specification actually

discloses that the sale offer can be displayed at a start time that is either unknown to the buyer alone, or unknown to both the buyer and the seller. For instance, the specification specifically states that:

The offer is transmitted to potential buyers through an Internet or Web site. Unpredictably, from the standpoint of the buyer, the offer will appear on the Web site's screen during the day. The central controller, which generates the sale offer, can also be programmed via a random function, so that nobody can predict when the sale offer will appear.

Original Specification at 8, ll. 16-20 (emphasis added). Further, it bears emphasizing that the illustrative embodiments disclosed in the specification should not be used to limit the literal or equivalent scope of any actual claim limitation. Accordingly, each of the claims fully comply with the requirements of 35 U.S.C. § 112, second paragraph.

III. The Outstanding Grounds For Rejection Under 35 U.S.C. §§ 102 and 103

As discussed on pages 6-7, ¶ 8, of the Final Office Action, the Examiner rejected claim 2 under 35 U.S.C. § 102(e) as being anticipated by Odom et al. (U.S. Patent No. 6,058,379). Moreover, according to the rationale discussed on pages 7-10, ¶ 10, of the Final Office Action, the Examiner rejected claims 3-15 under 35 U.S.C. § 103(a) as being unpatentable over Odom et al. And, as set forth on pages 10-11, ¶ 11, of the Final Office Action, the Examiner rejected claim 1 under 35 U.S.C. § 103(a) as being unpatentable over Odom et al. in view of newly cited Smith patent (U.S. Patent No. 6,502,076).

IV. The Combinations of Patentable Features in the Independent Claims

Each of the claims recites different combinations of features that distinguish the invention from the prior art. For example, independent claim 1 recites a combination that includes, among other things,

randomly generating an offer to purchase a product or service on the electronic network system at an offer price that is substantially equal to a delivery price associated with making the sale offer and less than a market value of the offered product or service,

(amended claim 1, ll. 3-6). Independent claim 2 recites another combination that includes, among other things,

inputting a sale offer parameter for randomly generating at least one sale offer to purchase a product or service at an offer price substantially equal to a discounted value less than a market value of the offered product or service plus a delivery price associated with the transaction,

(amended claim 2, ll. 4-7). Similarly, independent claim 8 recites a combination that includes, for instance,

randomly displaying, through the electronic network system, the at least one sale offer to a buyer at an unexpected period of time;

* * *

receiving, through the electronic network system, a first indication of acceptance from the buyer in response to the display of the at least one randomly generated sale offer;

displaying at least one term associated with the at least one randomly generated sale offer in response to the first indication of acceptance; [and]

* * *

wherein the at least one term associated with the randomly generated sale offer comprises an offer price substantially equal to a delivery price associated with the sale offer transaction.

(amended claim 8, ll. 6-34). And independent claim 62 recites a combination that includes, for example,

randomly displaying at least one offer to accept a product or service at an offer price substantially equal to a delivery price of the offered product or service to a one or more potential recipients on the electronic network system at an unknown start time;

(amended claim 62, ll. 3-6). Independent claim 83 recites yet another combination that includes, *inter alia*,

providing a random frequency device for randomly displaying an offer to one or more potential recipients on the electronic network system to accept a discounted product or service at a price substantially equal to the delivery price of the product or service, the randomly displayed offer having an unpredictable start time,

(claim 83, ll. 1-18). Finally, independent claim 90 recites a combination that includes, for instance,

a step for randomly displaying an offer to one or more potential recipients on the electronic network system to accept a discounted product or service at a price substantially equal to the delivery price of the product or service, the randomly displayed offer having an unpredictable start time,

(claim 90, ll. 1-17). At the very least, Odom et al. and Smith, whether taken alone or in combination, fail to disclose or suggest any of these exemplary features recited in the independent claims.

V. The Prior Art Cannot Satisfy the Requirements of 35 U.S.C. §§ 102 & 103

To establish anticipation under 35 U.S.C. § 102(e), the Examiner must show that each and every limitation recited in these claims is either explicitly disclosed or “necessarily present” in a single prior art reference, such as within the four corners of the Odom et al. patent. See MPEP § 2131 (7th ed. 1998); *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999); *Continental Can Co. v. Monsanto Co.*, 948 F.2d 1264, 1269 (Fed. Cir. 1991). Moreover, to make out a *prima facie* case of obviousness, the Examiner must demonstrate (1) that Odom et al., as proposed to be modified by the Examiner’s suggestions or the teachings of Smith, discloses or suggests each and every limitation recited in the claim, (2) that there is a reasonable probability of success in making such modifications, and (3) the existence of some suggestion or motivation, either in the teachings of the applied references themselves or in the knowledge generally available to one of ordinary skill in the art, to make such modifications so as to

result in the claimed invention. See MPEP § 2143 (7th ed. 1998). It bears emphasizing that each of these requirements must be found in the prior art — not based on Applicant's own disclosure. See *id.*

Viewed against this backdrop, each of the Examiner's factual conclusions must be supported by "substantial evidence" in the documentary record. See *In re Lee*, 61 U.S.P.Q.2d 1430, 1432 (Fed. Cir. 2002). The Examiner has the burden of documenting all findings of fact necessary to support a conclusion of anticipation or obviousness "less the 'haze of so-called expertise' acquire insulation from accountability." *Id.* To satisfy this burden, the Examiner must specifically identify where support is found within the prior art to meet the requirements of 35 U.S.C. §§ 102(e) and 103.

In this case, for the reasons below, the Examiner has once again failed to satisfy his burden of demonstrating how Odom et al., taken alone or in combination with Smith, can either anticipate or render obvious each and every one of the limitations present in independent claims 1, 2, 8, 62, 83, and 90, as required by the Manual of Patent Examining Procedure ("MPEP") and Federal Circuit jurisprudence.

A. The Odom et al. Patent (Alone or In Combination)

Odom et al. discloses a real-time network exchange that allows buyers to electronically and competitively bid on goods and services to reach a market price for purchasing the good or service and allows the seller to interactively participate in the competitive bidding process. See, e.g., Abstract. Odom et al., however, fails to provide any disclosure whatsoever of the following features of independent claims 1, 2, 8, 62, 83, and 90:

- "randomly generating an offer to purchase a product or service on the electronic network system at an offer price that is substantially equal to a

delivery price associated with making the sale offer and less than a market value of the offered product or service,” as recited in independent claim 1;

- “inputting a sale offer parameter for randomly generating at least one sale offer to purchase a product or service at an offer price substantially equal to a discounted value less than a market value of the offered product or service plus a delivery price associated with the transaction,” as recited in independent claim 2;
- displaying an offer price substantially equal to a delivery price associated with the sale offer transaction, as recited more particularly in independent claims 8, 62, and 83; and
- randomly displaying an offer to accept a discounted product or service at a price substantially equal to the delivery price of the product or service, as more particularly recited in independent claim 90.

Instead, Odom et al. teaches away from the claimed invention by disclosing the use of a competitive bidding process for offering products or services for sale at the highest possible market value. For instance, Odom et al. discloses that:

The potential purchaser may make a bid on an item that is currently being viewed and the information is processed in step 220. Once bid is selected, the client may be provided with the current highest bid for the item, and a window entering the required information for making a bid. In order to be accepted, the bid must meet certain criteria. For example, the bid must be higher than the current highest bid . . . In another embodiment of the invention, bids are not transmitted to the host if they are irrelevant. Irrelevant bids may be bids that are less than the current ‘best’ bid.

Col. 6, ll. 21-48 (emphasis added). By contrast, independent claim 1 calls for an offer for sale of a product or service at a price that is substantially equal to a delivery price associated with making the sale offer and less than a market value of the offered product or service, as recited in independent claim 1. Similarly, independent claim 2 calls for “a sale offer to purchase a product or service at an offer price substantially equal to a discounted value less than a market value of the offered product or service plus a delivery price associated with the transaction.” And independent claims 8, 62, and 83 calls for the display of an offer price that is substantially equal to a delivery price

associated with the sale offer transaction. Finally, independent claim 90 calls for the display of an offer to accept a discounted product or service at a price substantially equal to the delivery price of the product or service. These features are simply not disclosed or suggested anywhere within the Odom et al. patent disclosure, as required by 35 U.S.C. §§ 102 & 103. Accordingly, Odom et al. cannot anticipate or render obvious independent claims 1, 2, 8, 62, 83, and 90.

B. The Smith Patent (Alone or In Combination)

Moreover, the newly cited Smith patent fails to remedy the deficiencies of Odom et al. For example, the Examiner relies upon Smith solely to allegedly disclose the use of an algorithm for randomly displaying general advertisements. See Final Office Action dated Oct. 6, 2004 at 8, ¶ 10 (describing the use of Official Notice of random “pop-up ads”); *id.* at 11, ¶ 11 (relying upon Smith as a secondary reference in rejecting independent claim 1). Modifying the Odom et al. disclosure with the teachings of Smith thus cannot overcome the shortcomings of Odom et al. discussed above.

C. The Examiner’s Continued Use of Official Notice

Referring to page 10 of the Final Office Action, the Examiner continues to take Official Notice of a vast number of limitations recited in the claims. For example, with respect to the specific features recited in dependent claim 7 for displaying certain terms (such as an offer price substantially equal to a delivery price), acceptance forms, and payment methods in response to a first, a second, and a third indication of acceptance from a prospective buyer, the Examiner states that:

Official notice is taken that these steps are old and well known in the art. These steps provide for smooth negotiations between the buyer

and seller, ensures payment to the seller and helps the seller withdraw the offer in case the buyer is not able to meet the seller's criteria.

(Final Office Action at 10, ¶ 10). However, Official Notice cannot be applied to such a wide variety of features, which are neither notoriously old, nor well known to one of ordinary skill at the time of the invention. Indeed, one having ordinary skill in the art would not even consider modifying Odom et al. in the manner imagined by the Examiner because Odom et al. teaches away from the claimed invention, as discussed above. The Examiner's rationale is not based solely on facts that are "capable of instant and unquestionable demonstration as being 'well-known' in the art." MPEP § 2144.03 (7th ed. 1998). According to the MPEP, when a rejection is based on facts within the Examiner's personal knowledge, the data used to support that rejection should at least be stated as specifically as possible. See *id.* Here, instead of doing so, the Examiner provided another classic example of an impermissible hindsight reconstruction of Applicant's own disclosure as a basis to reject the claims under 35 U.S.C. § 103(a). As a result, Applicant has been, once again, unfairly denied the opportunity to either address the true merits of the prior art or receive a Notice of Allowance without undue delay. Applicant again challenges the Examiner's use of his own uncorroborated personal knowledge as a substitute for issuing a complete Office Action on the merits, and requests appropriate identification in the form of a competent prior art reference and corroboration of the Examiner's grounds for invoking Official Notice in the form of a non-final Office Action. In lieu of such a complete Office Action on the merits, Applicant respectfully requests that the Examiner withdraw the outstanding grounds for rejection and place this application in condition for allowance.

D. The Dependent Claims

For the foregoing reasons, Odom et al. and Smith fail to disclose or suggest each and every element recited in independent claims 1, 2, 8, 62, 83, and 90. Moreover, claims 3-7, 10-15, 63-72, 74-82, 84-89, and 91-96, which each depend upon the independent claims, respectively, recite additional limitations that are neither disclosed nor suggested by any of the cited references, taken either alone or in combination. Thus, dependent claims 3-7, 10-15, 63-72, 74-82, 84-89, and 91-96 are allowable for at least the same reasons discussed above with respect to independent claims 1, 2, 8, 62, 83, and 90.

VI. Conclusion

Applicant respectfully requests that this Amendment under 37 C.F.R. § 1.116 be entered by the Examiner, placing all pending claims 1-8, 10-15, 62-72, and 74-96 in condition for allowance. Applicant submits that the proposed amendments to claims 1, 2, 8, and 62 do not raise new issues or necessitate the undertaking of any additional search of the art by the Examiner, and further since the dependent claims are deemed allowable if rewritten in independent form. Therefore, this Amendment should allow for immediate action by the Examiner.

Applicant submits that the entry of this Amendment would place the application in better form for appeal, should the Examiner continue to dispute the patentability of the pending claims. Applicant, therefore, requests the entry of this Amendment, the Examiner's reconsideration of the application, and the timely allowance of the pending claims.

Additionally, the Examiner is invited to telephone the undersigned Applicant's representatives at (202) 408-6052 if it would be helpful to further expedite the prosecution of this application and, thereby, minimize time and expense.

If any extension of time under 37 C.F.R. § 1.136 is required to obtain entry of this response, and not requested by attachment, such extension is hereby requested. If there are any fees due under 37 C.F.R. § 1.16 or 1.17 that are not enclosed, including any fees required for an extension of time under 37 C.F.R. § 1.136, please charge those fees to our Deposit Account No. 06-0916.

Respectfully submitted,

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